

TOWNSHIP OF ALLOWAY MASTER PLAN HOUSING ELEMENT AND FAIR SHARE PLAN

December 2008

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INTRODUCTION AND BACKGROUND

1. Introduction

The Township of Alloway's Housing Element and Fair Share Plan is prepared in accordance with the New Jersey Municipal Land Use Law, the Fair Housing Act, and the New Jersey Council on Affordable Housing (COAH) regulations.

The purpose of a Housing Plan for the Township of Alloway is not only to research and analyze the existing housing situation, but to begin to create a local strategy to provide an adequate supply of housing serving a range of income groups. This Plan will outline the current housing situation in the Township of Alloway as well as provide a framework for the Township to begin to address its Council on Affordable Housing (COAH) obligations pursuant to the Fair Housing Act.

2. Existing Housing Conditions

The condition of existing housing units in the Township of Alloway including age, condition, purchase or rental value, occupancy characteristics, and type of housing, is discussed in the section that follows.

a. Age of Housing

The age of the housing stock in a municipality is an important indicator of the health and vitality of the overall community. As the percentage of older housing in relation to all housing increases, this may indicate a lack of economic opportunity since very little new housing is being built to balance out the percentage over a broader time period. As shown in Table 1 below, the greatest percentage (46%) of the Township of Alloway's housing stock was built prior to 1959. Over a quarter of the Township's housing was constructed before 1939.

Table 1: Age of Housing		
Year	Housing Units	Percent
Total:	995	100
Built 1999 to March 2000	10	1.0
Built 1995 to 1998	44	4.4
Built 1990 to 1994	75	7.5
Built 1980 to 1989	141	14.2
Built 1970 to 1979	149	15.0
Built 1960 to 1969	118	11.9
Built 1940 to 1959	190	19.1
Built 1939 or earlier	268	26.9
Source: U.S. Census Bureau, Census 2000		

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b. Housing Condition

Table 2 below shows the condition of housing units in the Township of Alloway. As seen in the Table, there are about seven (7) overcrowded units, and four (4) housing units lacking complete kitchen facilities. These units should be identified and assisted to meet current code requirements.

Table 2: Housing Condition		
Subject	Number	Percent
TENURE BY OCCUPANTS PER ROOM		
Owner-occupied housing units	840	100
0.50 or less occupants per room	601	71.5
0.51 to 1.00 occupants per room	236	28.1
1.01 to 1.50 occupants per room	0	0.0
1.51 or more occupants per room	3	0.4
Mean	0.42	(X)
Renter-occupied housing units	108	100
0.50 or less occupants per room	90	83.3
0.51 to 1.00 occupants per room	14	13.0
1.01 to 1.50 occupants per room	4	3.7
1.51 or more occupants per room	0	0.0
Mean	0.43	(X)
TENURE BY TELEPHONE SERVICE AVAILABLE		
Owner-occupied housing units	840	100
With telephone service	840	100
No telephone service	0	0.0
Renter-occupied housing units	108	100
With telephone service	108	100
No telephone service	0	0.0
TENURE BY PLUMBING FACILITIES		
Owner-occupied housing units	840	100
With complete plumbing facilities	836	99.5
Lacking complete plumbing facilities	4	0.5
Renter-occupied housing units	108	100
With complete plumbing facilities	108	100
Lacking complete plumbing facilities	0	0.0
TENURE BY KITCHEN FACILITIES		
Owner-occupied housing units	840	100
With complete kitchen facilities	836	99.5
Lacking complete kitchen facilities	4	0.5
Renter-occupied housing units	108	100
With complete kitchen facilities	108	100
Lacking complete kitchen facilities	0	0.0
(X) Not applicable		
Source: U.S. Census Bureau, Census 2000		

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c. Purchase or Rental Value

Table 3 shows the purchase and rental values of housing units in the Township of Alloway. As seen in the Table, the median value of a housing unit in the Township in 1999 was \$133,300, with median monthly cost of \$1,239 for units with a mortgage, and \$419 for units not mortgaged. The median gross rent for housing units in the Township is \$700, and the median contract rent is \$575.

Table 3: Housing Value						
Occupied housing units	Specified owners			Specified renters		
	Median value (\$)	Median selected monthly owner costs (\$)		Median contract rent (\$)	Median gross rent (\$)	Percent with meals included in rent
		With a mortgage	Not mortgaged			
747	133,300	1,239	419	575	700	0.0
Source: U.S. Census Bureau, Census 2000						

d. Occupancy Characteristics

The 2000 US Census data indicates that 95.3 percent of the total housing units in the Township are occupied year-round and, of these occupied housing units, 88.3 percent are owner-occupied and 11.7 percent renter-occupied. These housing characteristics are depicted in Table 4 below.

Table 4: Occupancy Characteristics		
Subject	Number	Percent
OCCUPANCY STATUS		
Total housing units	995	100
Occupied housing units	948	95.3
Vacant housing units	47	4.7
TENURE		
Occupied housing units	948	100
Owner-occupied housing units	837	88.3
Renter-occupied housing units	111	11.7
Source: U.S. Census Bureau, Census 2000		

e. Housing Type

Over 99 percent of housing units in the Township of Alloway are one unit detached, one unit attached, or two (2) unit structures. The remaining 0.4 percent of structures contain three (3) or more housing units. The different housing types, indicating units in structure are shown in Table 5 below.

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Table 5: Housing Type		
Type	Units	Percent
Total:	995	100.0
1, detached	967	97.2
1, attached	12	1.2
2	12	1.2
3 or 4	4	0.4
5 to 9	0	0.0
10 to 19	0	0.0
20 to 49	0	0.0
50 or more	0	0.0
Mobile home	10	0.0
Boat, RV, van, etc.	0	0.0
Source: U.S. Census Bureau, Census 2000		

Tables 6 and 7 below show the affordability of housing units in the Township of Alloway for renters and home owners. As seen in Table 6, 18.48 percent of renters spend over 30 percent of their household income on housing. Table 7 indicates that 14.7 percent of owner-occupied housing units incur monthly costs greater than 30 percent of household income. This data indicates a growing need for affordable housing units in the Township of Alloway, especially for rental housing units.

Table 6: Gross rent as a percentage of household income in 1999		
Subject	Number	Percent
Less than 15 percent	4	8.80
15 to 19 percent	21	14.08
20 to 24 percent	5	5.28
25 to 29 percent	4	4.99
30 to 34 percent	3	0.00
35 percent or more	23	18.48
Not computed	25	20.23
Source: U.S. Census Bureau, Census 2000		

Table 7: Selected monthly owner costs as a percentage of household income in 1999		
Subject	Number	Percent
Less than 15 percent	199	100.0
15 to 19 percent	109	17.1
20 to 24 percent	84	13.1
25 to 29 percent	101	15.8
30 to 34 percent	43	6.7
35 percent or more	94	14.7
Not computed	9	1.4
Source: U.S. Census Bureau, Census 2000		

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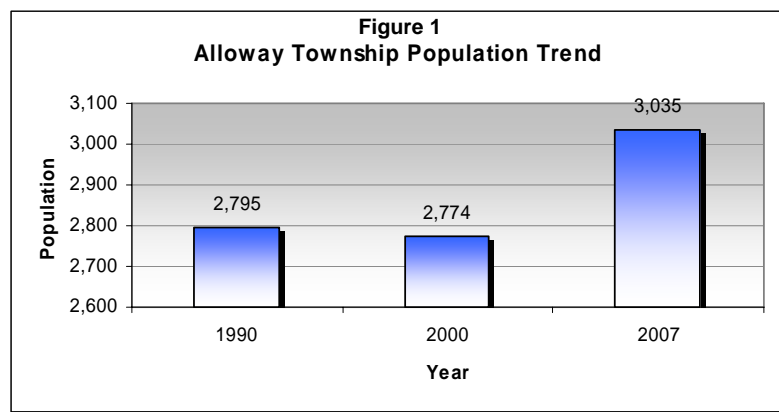
3. Analysis of Demographic Characteristics

The following section discusses key demographic characteristics of the Township of Alloway, including population trend, household size and type, age characteristics, income level and employment status of residents.

a. Population trend

The Township of Alloway has seen very little population growth over the last decade. As of 2007, the Township had an estimated total population of 3,035. This indicates an increase of 8.6 percent over year 2000 population of 2,774. The Township's population actually registered a slight decrease in the preceding decade, from the year 1990 population of 2,795 to the year 2000 population of 2,774. This population trend is shown in Table 8 below, and illustrated in Figure 1.

Table 8: The Township of Alloway population trend		
Year	Population	Percent change
2007*	3,035	8.6
2000	2,774	-0.7
1990	2,795	
Source: U.S. Census Bureau		
*Estimates		



b. Household size and type

The average household size in the Township of Alloway is 2.80. Tables 9 and 10 below give details of household size and the type of households in the Township. As seen in the Tables, the Township has 80 one-person households and 311 households with two (2) or more people, a majority of which are family households. A majority of the family households are 2-people households, and very few have five (5) or more people. About 87 percent of the non-family households are one-person households.

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Table 9: Household size and household type	
Total:	391
1-person household:	80
Male householder	33
Female householder	47
2 or more person household:	311
Family households:	299
Married-couple family:	248
With own children under 18 years	110
No own children under 18 years	138
Other family:	51
Male householder, no wife present:	16
With own children under 18 years	8
No own children under 18 years	8
Female householder, no husband present:	35
With own children under 18 years	11
No own children under 18 years	24
Nonfamily households:	12
Male householder	9
Female householder	3
Source: U.S. Census Bureau, Census 2000	

Table 10: Household type by household size	
Total:	391
Family households:	299
2-person household	131
3-person household	64
4-person household	56
5-person household	31
6-person household	13
7-or-more person household	4
Nonfamily households:	92
1-person household	80
2-person household	10
3-person household	2
4-person household	0
5-person household	0
6-person household	0
7-or-more person household	0
Source: U.S. Census Bureau, Census 2000	

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c. Age Characteristics

The majority of the population of the Township of Alloway is in the 20 to 44 year old range, which is consistent with Salem County and the State of New Jersey as a whole. It appears that there is a significant number of young couples with young children in the Township of Alloway.

Table 11: Population Cohorts	
Total Population	2,774
Under 5 years	181
5 to 9 years	198
10 to 19 years	470
20 to 44 years	923
45 to 64 years	659
65 to 74 years	190
76 to 84 years	116
85 years and over	37
Source: U.S. Census Bureau, Census 2000	

The Township of Alloway has a significant portion of its population in the two (2) primary “working age” cohorts – illustrating a strong workforce. However, it is worth noting that the latter of these two (the 45 to 64 age cohort) will soon move into retirement, noting a potential need for more adult educational and senior services.

d. Income level

Table 12 below describes income and poverty status of households and families in the Township. The per capita income for the Township is \$22,935. Median income of households is \$56,528 and of families is \$65,132. The data also indicates that 8.2 percent of population and 4.5 percent of families in the Township have incomes below poverty level.

Table 12: Income and poverty in The Township of Alloway								
Median income in 1999 (dollars)		Per capita income in 1999 (dollars)	Median earnings in 1999 of full-time, year-round workers (dollars)		Income in 1999 below poverty level			
Households	Families		Male	Female	Percent of population for whom poverty status is determined			Percent Of Families
					All ages	Related Children Under 18 Years	65 years and over	
56,528	65,132	22,935	43,839	27,188	8.2	8.1	4.6	4.5
Source: U.S. Census Bureau								

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e. Employment status of residents

Table 13 shows the employment status of residents of The Township of Alloway. According to the data, about 70 percent of Township's population 16 years and older is in the labor force and, about 9.4 percent of the Township's civilian labor force is unemployed.

Table 13: Employment status					
Population 16 years and over-- Percent in labor force			Civilian labor force-- Percent unemployed	Own children-- Percent with all parents in family in labor force	
Total	Female			Under 6 years	6 to 17 years
	Total	With own children under 6 years			
69.7	62.0	73.1	9.4	74.3	73.5
Source: U.S. Census Bureau					

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4. Employment Characteristics

The following section discusses employment characteristics of the Township of Alloway, including employment by industry sectors, employment trends and employment outlook.

a. Employment by industry sectors and number of persons employed

Table 14 describes employment characteristics of the Township's employed civilian population. Management, professional, and related occupations are the highest employment occupations in the Township. This is followed by sales and office occupations. These two sectors form about 55 percent of the civilian labor force occupation sectors. Educational, health and social services is the largest industry sector in the Township, employing 290 people. It is followed by Manufacturing and then by Transportation and warehousing, and utilities industry.

Table 14: Employment characteristics		
Subject	Number	Percent
Employed civilian population 16 years and over	1,328	100
OCCUPATION		
Management, professional, and related occupations	417	31.4
Service occupations	159	12.0
Sales and office occupations	311	23.4
Farming, fishing, and forestry occupations	24	1.8
Construction, extraction, and maintenance occupations	218	16.4
Production, transportation, and material moving occupations	199	15.0
INDUSTRY		
Agriculture, forestry, fishing and hunting, and mining	72	5.4
Construction	90	6.8
Manufacturing	206	15.5
Wholesale trade	54	4.1
Retail trade	125	9.4
Transportation and warehousing, and utilities	135	10.2
Information	48	3.6
Finance, insurance, real estate, and rental and leasing	67	5.0
Professional, scientific, management, administrative, and waste management services	61	4.6
Educational, health and social services	290	21.8
Arts, entertainment, recreation, accommodation and food services	35	2.6
Other services (except public administration)	65	4.9
Public administration	80	6.0
Source: U.S. Census Bureau		

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b. Existing employment

Census 2000 reports that 2,103 persons 16 years old or older live within the Township of Alloway, and of these, 1,465 are employed (or able to be employed). The largest industry employing local residents is the management, professional and related fields, followed by the sales and office occupations in the second position, with the construction, extraction, and maintenance occupations filling the third position. These occupations make up approximately 65 percent of the employable population in the Township of Alloway.

Table 15: Employment Classification	
Employment Classification	Number
Management, professional and related occupations	417
Service occupations	159
Sales and office occupations	311
Farming, fishing and forestry occupations	24
Construction, extraction and maintenance occupations	218
Production, transportation and material moving occupations	199
Unemployed	137
Source: U.S. Census Bureau, Census 2000	

Overall employment for persons over 16 years of age has increased from 1,419 persons in 1990 to 2,103 persons in 2000, however according to census 2000, the unemployment rate has also increased dramatically from 12 persons to 137 persons (from .8% to 6.5%).

Relative to employment, the mean travel time to work as reported by the Census Bureau is 26.5 minutes. This time period is an indication that many workers are commuting to areas outside the Township of Alloway, likely to places such as the Philadelphia-Camden Metropolitan Statistical Area (MSA) area or possibly to the Wilmington, DE area and other nearby locales.

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c. Probable future employment characteristics

The New Jersey Department of Labor reports that between 2002 and 2012, the service sector industries, which consist of health services and other business services, are projected to realize the greatest employment growth in Salem County. Table 16 illustrates those specific industries in Salem County with the highest projected growth.

Table 16: Employment Type					
Industry	2002 Number	Percent	2012 Number	Percent	Change – 2002-2012 Percent
Management, Business and Financial Occupations	2,250	9.6	2,400	9.9	7.3
Professional and Related Occupations	4,700	20	5,100	20.8	8.2
Service Occupations	4,600	19.6	5,100	20.8	10.5
Sales and Related Occupations	1,550	6.5	1,650	6.7	6.3
Office and Administrative Support Occupations	3,500	14.8	3,400	14	-1.8
Farming, Fishing and Forestry Occupations	0	0	0	0	0
Construction and Extraction Occupations	1,450	6.2	1,600	6.5	8.7
Installation, Maintenance and Repair Occupations	1,550	6.6	1,500	6.1	-3.9
Transportation and Material Moving Occupations	1,650	7	1,650	6.8	1.5
Production Occupations	2,300	9.7	2,000	8.3	-11.9
Source: New Jersey Department of Labor, 2000					

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FAIR SHARE PLAN

1. Introduction

This Housing Plan element for Alloway Township has been prepared in accordance with the New Jersey Municipal Land Use Law N.J.S.A. 40:55D-28(3) which provides for “a housing plan element, including but not limited to, residential standards and proposals for the construction and improvement of housing.” The Fair Housing Act, N.J.S.A. 52:27D-310, provides further that such housing element, “Shall be designed to achieve the goal of access to affordable housing to meet present and prospective housing needs, with particular attention to low- and moderate-income housing...” Specific requirements are included also with respect to population, employment and housing stock characteristics and provisions for compliance with the Fair Housing Act of 1985. The Fair Housing Act mandates that each municipality provide a realistic opportunity for decent housing for low- and moderate-income families to reside within the Township now and in the future, and for the Township’s “fair share” of the low- and moderate-income families of the region, again, at the present time and in the future.

Why Plan for Affordable Housing?

Beyond the fact that the provision of such housing is both necessary and fair, is the fact that the New Jersey Supreme Court stated in *Mount Laurel II* that, “The lessons of history are clear, even if rarely learned. One of those lessons is that unplanned growth has a price...” Further, the Court stated that, “Communities that are growing and creating jobs have a responsibility to house the poor who will arrive in these locations in pursuit of jobs.” The Court wanted municipalities to depend on long range land use planning rather than on purely economic forces to drive development.

Background on the New Jersey Council on Affordable Housing (COAH) Implementation

The following is excerpted from N.J.A.C. 5:94-1.1 and N.J.A.C. 5:97-1.1

- (a) The New Jersey Supreme Court stated in *Mount Laurel II* that, “The lessons of history are clear, even if rarely learned. One of those lessons is that unplanned growth has a price...” Further, the Court stated that, “Communities that are growing and creating jobs have a responsibility to house the poor who will arrive in these locations in pursuit of jobs.” The Court wanted municipalities to depend on long range land use planning rather than on purely economic forces to drive development.
- (b) The Council's third round rules which implement a “growth share” approach to affordable housing represent a significant departure from the Council's first and second round methodologies in that they link the actual production of affordable housing with municipal development and growth. The Council believes that this approach will hew more closely to the doctrinal underpinning of *Mount Laurel* in that municipalities will provide a realistic opportunity for construction of a fair share of low- and moderate-income housing based on sound land use and long range planning. These rules will harness future growth to produce affordable housing by deeming that all growth-related construction generates an obligation.
- (c) Both the Court and the Legislature wanted to establish a system that would provide a realistic opportunity for housing, not litigation. As the Court stated in upholding the Fair Housing Act, “The legislative history of the Act makes it clear that it had two primary

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purposes: first, to bring an administrative agency into the field of lower income housing to satisfy the *Mount Laurel* obligation; second, to get the courts out of that field.”

- (d) Following the New Jersey Appellate Division decision in 2007, the Council revised its “growth share” methodology. The methodology requires that each municipality’s provision of affordable housing coincide with its obligation generated by actual residential and non-residential growth. The realistic opportunity for affordable housing will address the overall need estimated by the Council through this combined approach.
- (e) There are three components to the Third Round Methodology; the rehabilitation share, the Prior Round obligations for the period 1987-1999, and the “growth share.” Growth share is generated by statewide residential and non-residential growth during the period January 1, 2004 to December 31, 2018 based on individuals projected to need affordable housing from 1999 through 2018. As a result, for every five (5) market-rate residential units constructed, the municipality is obligated to provide one (1) unit that is affordable to households of low or moderate income. Job creation carries a responsibility to provide housing as well. For every sixteen (16) newly created jobs as measured by new or expanded non-residential construction within the municipality in accordance with Appendix D, the municipality is obligated to provide one unit that is affordable to households of low and moderate income. This method requires that municipalities meet the actual growth share obligation with not merely a good faith attempt, but with the actual provision of housing for low- and moderate-income households, while continuing to provide a realistic opportunity for affordable housing to address the projected growth share obligation.

2. Community Information

General Description of Alloway Township / Major Considerations

Alloway Township is a rural municipality located in the central (southwestern) portion of Salem County. The municipality has one major village (Alloway Village), which includes the Township’s commercial district, compact residential development and basic services. There are also several large residential subdivisions (e.g. Paradise Lakes and Alloway Woods) scattered throughout the Township and, as a result of this type of development activity, the Township has been (i.e., within the last 10- 15 years) and continues to be one of the traditionally more stable growth areas in the County. The population of Alloway has increased by only 94 residents (or four percent) over the past 20 years, increasing by 115 persons between 1980 and 1990 and decreasing by 21 people between 1990 and 2000.¹

Planning Areas

According to the State Plan, the Township is designated as a Rural Planning Area (PA-4A), with the exception of State-owned parklands. The environs within the Rural Planning Area are, for the most part, zoned for relatively low-density residential development. Alloway Township enjoys excellent farmlands with a high percentage of prime soils. The Township has several preserved farmlands and State-owned lands as well as large tracts of wetlands, woodlands and dams.

¹ US Census, 2000.

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Township Master Plan and Municipal Concurrence with The State Plan Vision Statement

The Township's 1996 Master Plan Re-Examination Report reiterated its basic goals - i.e., to "preserve its rural environment with its open space, low density of housing, and small town quality of life, while at the same time maintaining its agricultural economy." The Report examined each of the Township's goals, discussed the degree to which they have been achieved, and made recommendations for action where it was felt that more needed to be done to achieve the goals. The Re-Examination Report, along with the Township's Center Designation Report, represents an excellent action plan for the implementation of the State Plan Vision Statement.

The Township's development regulations (and amendments) contain several noteworthy ordinance elements that support the "Vision Statement" of the State Plan including:

- Historic Preservation District regulations
- "Right-to-Farm" element
- Cluster Development element
- Requirement for and environmental impact statement for major developments

Potential Issues / Identified Problems as Noted in the Master Plan and Salem County Cross Acceptance Report

- Preservation of the Environs - The need for additional or increased funding, programs and legislation (such as Transfer of Development Rights Legislation) to assist the Township in its efforts to preserve agricultural lands.
- Economic Development - The need for ratables in the Township such as light industry or, more realistically, agricultural-based industry to service its existing farm community.
- The need to develop strategic plans to preserve rural character, open space and agriculture.

All of these issues note the importance of preserving the Township's character and creating a viable economy at the same time. With this being the case, the following outlines the housing requirements that must be addressed simultaneous to the resolution of these issues.

3. Fair Share Obligation

The three main components to determining the Fair Share Growth Obligation for Alloway Township are discussed below:

Rehabilitation Share

The Rehabilitation Share for affordable housing is the number of existing housing units as of April 1, 2000, that are both deficient and occupied by households of low- or moderate-income as determined through the methodology provided in the COAH Third Round Substantive Rules Handbook N.J.A.C. 5:97, Appendix B. COAH has calculated and provided this information for all communities statewide and the Rehabilitation Share for Alloway Township is eight (8) units.

Prior Round Obligation for the period 1987-1999

The Prior Round Obligation is a municipality's remaining balance of the prior round's portion of any affordable housing obligation previously assigned by COAH for the 1987 through 1999

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cumulative period and is governed by the provisions of N.J.A.C. 5:97, Appendix C. COAH has calculated and provided this information for all communities statewide and the Prior Round Obligation for Alloway Township for the time period 1987-1999 is seventeen (17) units.

Growth Share

The Fair Share Growth Obligation is determined by utilizing the growth share methodology adopted by COAH, which bases the need for affordable housing upon growth projected by a municipality and assigns an affordable housing responsibility as a proportion of that growth. The Third Round Rules subject both residential and non-residential development in a municipality to impact the growth obligation. Residential development requires that for every five (5) market-rate units constructed one (1) affordable housing unit must be provided. Non-Residential development requires that one (1) affordable housing unit must be provided for every sixteen (16) newly created jobs, as measured by both new and expanded non-residential construction. COAH provides household and employment projections for each municipality in N.J.A.C. 5:97, Appendix F. COAH projected growth share for Alloway Township for the period January 1, 2004 through December 31, 2018 is thirty seven (37) units.

Fair Share Obligation

Alloway Township's fair share obligation is the sum of its rehabilitation share of eight (8) units, prior round obligation of seventeen (17) units, and growth share of thirty seven (37) units, resulting in a total fair share obligation of sixty two (62) affordable housing units. The Township's fair share obligation is shown in Table 17 below.

Table 17: Alloway Township COAH Fair Share Obligation	
Description	Units
Rehabilitation Share	8
Prior Round Obligation	17
Growth Share	37
Total	62

4. Mechanisms for addressing the Fair Share Obligation

Plan Background

The following plan is a recommendation to address both prior rounds substantive certification (first and second) as well as the present round (third) requirements for the Council on Affordable Housing. The prior rounds' requirement of 17 units and the third round requirement of 37 units equates to 54 units of affordable housing that must be addressed by the Township of Alloway prior to 1 January 2018. While no plan can truly estimate or predict what will occur within the Township over the next decade (thus addressing third round growth share requirements), such a plan can put into place a method to meet the community's affordable housing needs / requirements.

The Township of Alloway is projected to have stable to minimal growth, and may be generally categorized as a relatively stable rural community of less than 3000 persons. The community is situated in Salem County, the only county in the State of New Jersey that experienced a population loss according to the 1990 to 2000 U. S. Census.

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Relative to the community's rural character, the majority of the Township does not have public water or sewer service, thus exacerbating its ability to address future residential and commercial growth, and accordingly, affordable housing.

An examination of the Township revealed that there are no pre-existing age- restricted housing developments or group homes / assisted living centers that would serve to alleviate the Township's First and Second Round COAH requirements. While Ranch Hope is located within the Township, it does not qualify as a group home pursuant to COAH's rules – the facility has been in existence since the 1960's (1964) and contains 76 beds (generally dormitory style) primarily for the purpose of providing a place of education and residency for boys that need such guidance in their lives, specifically young teens up to the age of eighteen, when they must prepare to move out on their own.

The Township is not in a financial, nor personnel, position to establish a Community Development Corporation (CDC) to create affordable housing opportunities, or develop a scattered site housing program to "redevelop" properties that have been foreclosed upon as affordable housing (and deed restricted accordingly). COAH's Revised Third Round Rules do not permit transfer of affordable housing requirement to another municipality through Regional Contribution Agreements (RCA), thus severely limiting options available for the Township to meet its affordable housing obligation.

The table below illustrates the regional income limits for housing within Region 6 as designated by COAH. Region 6 includes Atlantic, Cape May, Cumberland and Salem counties.

Table 18: Region 6 (Atlantic, Cape May, Cumberland, & Salem Counties)				
2007 Regional Income Limits²				
Household Size	Median Income	Moderate (80% of AMI)	Low (50% of AMI)	Very Low (30% of AMI)
1 person	\$45,355	\$36,284	\$22,678	\$13,607
1.5 persons	\$48,595	\$38,876	\$24,297	\$14,578
2 persons	\$51,834	\$41,468	\$25,917	\$15,550
3 persons	\$58,314	\$46,651	\$29,157	\$17,494
4 persons	\$64,793	\$51,834	\$32,397	\$19,438
4.5 persons	\$67,385	\$53,908	\$33,692	\$20,215
5 persons	\$69,976	\$55,981	\$34,988	\$20,993
6 persons	\$75,160	\$60,128	\$37,580	\$22,548
7 persons	\$80,343	\$64,275	\$40,172	\$24,103
8 persons	\$85,527	\$68,421	\$42,763	\$25,658

² New Jersey Council on Affordable Housing (COAH), Income Limits, 2007.

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The Proposed Housing Plan

Given the unique situation that Alloway Township finds itself in; a rural community containing a significant amount of environmentally sensitive land, a designation of Planning Area 4 throughout the Township according to the State Development and Redevelopment Plan (SDRP), difficult CAFRA issues to be addressed prior to any construction, and the limited sewer availability, the Township may wish to re-address the prior round COAH requirements to determine if these numbers may be revised to address the unique situation.

However, in an attempt to address the current situation and requirements, the Township adopted a Fair Share Residential Growth Share Ordinance that requires any new development (Township-wide) to provide one unit of affordable housing for every five market rate units developed. The ordinance was adopted by the Township on March 15, 2007. The Township will amend this ordinance to incorporate the revised COAH Third Round Regulations, and require residential developers to provide one affordable unit for every four market rate units. This would allow the Township to begin to address the outstanding affordable housing requirements (54 units). A draft of the revised Fair Share Residential Growth Share Ordinance is included as Appendix A.

The Growth Share Ordinance will allow for increased density for residential development, while requiring the provision of 20% affordable units one (1) affordable unit for every four (4) market rate units) by the developer. The Ordinance would include the following:

- For all residential development, a developer must set aside 20% of the units for development as affordable housing units. Meeting this affordable housing condition will allow the developer a density bonus of an increase of 25% over the underlying zoning district density.
- Developers unable to provide 20% affordable housing units on site will have the option of providing the units elsewhere in the Township or making a payment in lieu of providing the whole or fractional affordable units required.
- The payment in lieu amount as recommended by COAH is described in Table 19 below. This would require any developer who chooses not to, or is unable to provide all or part of the required affordable units to make a payment to the Township in the amount of \$182,859 per unit, to be deposited into the Township's Affordable Housing Trust Fund. The affordable housing requirement shall not be rounded.

Table 19: Payment in lieu Amount						
COAH Region	1 st Quartile	Land Costs	Construction costs	Total cost	Affordable price	Subsidy required/ Payment in Lieu Amount
6	\$264,690	\$66,173	\$167,262	\$251,163	\$68,304	\$182,859

- The payment in lieu option will be available only for market rate housing developments that are less than four (4) units. Any development of five (5) market rate units or more will be required to provide the required affordable housing units.
- If the payment in lieu option is exercised or the developer provides the affordable units elsewhere in the Township, the developer is permitted only an additional one-half market rate unit for every affordable unit required (density bonus of 10%) over the existing permissible density.

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COAH's revised Third Round rules permit the following breakdown of units:

- At least 50% of the units addressing the fair share obligation need to be affordable to low income households.
- 50% of the units are required to be family units.
- A maximum of 25% housing units may be age-restricted.
- At least 25% of the housing units must be rental units (note: for every rental unit, COAH offers a "2 for 1" credit for each family rental unit restricted for affordable housing built *above the required 25% threshold*).
- A minimum of 10% of units must be deed-restricted for households earning no more than 35 percent of median income.
- Regional Contribution Agreement (RCA) units are no longer permitted.

Affordable housing units created through the Growth Share Ordinance will be administered in accordance with COAH regulations. The affordable units produced will help meet the Township's prior round and growth share obligation (total of 54 units). In addition to implementing the Growth Share Ordinance, the Township will work on establishing a rehabilitation program designed to renovate deficient housing units in the Township. This will help address the Township's rehabilitation share of 8 units.

Given the low rate of development in the Township and the fact that Regional Contribution Agreements (RCA) are no longer permitted, the Township will evaluate additional mechanisms necessary to meet any outstanding fair share obligation beyond the affordable units created as a result of the Growth Share Ordinance. The Township will also evaluate the possibility of addressing the obligation via procurement of an age-restricted development, and also possible collaboration with other organizations dealing with affordable housing.

5. Funding Mechanisms

Affordable Housing Trust Fund

Alloway Township will establish a new Affordable Housing Trust Fund to govern the funds required to meet its affordable housing needs. The Affordable Housing Trust Fund will include funds collected through payment in lieu of constructing affordable units in the Township, non-residential development fees, proceeds from the sale of affordable units, rental income, and any other funds collected by the Township in connection with affordable housing programs.

Following COAH certification, the Township will impose, collect and spend these funds for providing and maintaining affordable housing in the Township, in accordance with COAH regulations. The Affordable Housing Trust Fund will be created and maintained in accordance with COAH regulations (N.J.A.C. 5:97-8), in the form of a separate, interest-bearing account.

Development Fees

Pursuant to P.L.2008, c.46 section 8 (C. 52:27D-329.2) and the Statewide Non-Residential Development Fee Act (C. 40:55D-8.1 through 8.7), all non-residential development within the Township, will incur a development fee.

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Non-residential development fee

- Within all zoning districts, non-residential development, except for types of development specifically exempted, will incur a fee equal to two and one-half (2.5%) percent of the Equalized Assessed Value (EAV) of the land and improvements, in accordance with the State comprehensive affordable housing reform bill P.L.2008, c.46.
- All non-residential development, not specifically exempt, will incur the development fee resulting from any additions to existing structures; and when an existing structure is demolished and replaced. The fees will be based on increase in EAV in case of additions and alterations.

Payment in lieu Fees

Residential development within the Township will be eligible to make payment in lieu of providing all or part of their affordable housing requirement, as described in the preceding sections. These fees will be part of the Township's Affordable Housing Trust Fund, and will be available for assistance with affordable housing programs, in accordance with the spending plan.

Other Funds

In addition to development fees and payment in lieu fees, the Affordable Housing Trust Fund will be designed to collect and manage any funds arising from sale of affordable units, rental income, or similar funds collected by the Township in connection with affordable housing programs.

The Township will also explore other external State level and Federal level funding sources, such as the New Jersey Affordable Housing Trust Fund Balanced Housing Program, to aid in the provision of affordable housing within the Township. Further information on funding sources is available in the form of a guide on COAH website³.

Spending Plan

Alloway Township will create a spending plan to allocate the spending of Affordable Housing Trust Funds. The spending plan will include a projection of revenues, administrative mechanism used to collect and distribute revenues, anticipated use of funds, and a schedule of expenditure. The plan will also addresses shortfall or excess of Affordable Housing Trust Funds. All funds will be available for affordable housing programs in the Township.

The Township would use the Affordable Housing Trust Funds to provide the subsidy required to fill the gap between the actual cost of housing and what a low- or moderate-income family can afford. An alternative option could be that the Township evaluates the creation of a Community Development Corporation (CDC) that operates as a 501(c)3 non-profit organization to actually locate and build (and possibly rehab existing structures) affordable housing within the Township. The Township may work with this organization to identify appropriate sites for such construction and may even locate and purchase foreclosed properties for rehabilitation and deed-restriction for affordable housing.

³ A Guide to Affordable Housing Funding Sources, Council on Affordable Housing, NJ Department of Community Affairs
www.state.nj.us/dca/affiliates/coah/resources/planresources

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CONCLUSION

Alloway Township is a small rural community with little to no growth in the recent past with a similar forecast for the next ten (10) to twenty (20) years. The goals of the Township's Master Plan and Salem County's Cross Acceptance Plan with the State Plan indicate a strong desire to protect the Township's open space, as well as the region's agricultural economy. However, even with these planning goals in mind, the Township has a responsibility to address affordable housing in accordance with the New Jersey Council on Affordable Housing (COAH). This report has outlined the recent demographic trends within the Township as well as illustrated trends for future growth.

Based upon the analysis presented, Alloway Township has a total obligation to provide 62 affordable housing units prior to 1 January 2018. Given the limited financial ability of the Township, the plan as presented requires any new housing development to provide affordable housing units at the following ratio – for every five housing units constructed, one unit of affordable housing will be required (one affordable unit for every four market rate units). If a single lot is proposed for residential development – a payment in lieu of construction (based on one-in-five or 20% of total number of units) will be required prior to the certificate of occupancy being issued for the market residential unit proposed.

Pursuant to P.L. 2008, c.46 section 8 (C. 52:27D-329.2) and the Statewide Non-Residential Development Fee Act (C. 40:55D-8.1 through 8.7), all non-residential development within the Township, will incur a development fee equal to two and one-half (2.5%) percent of the Equalized Assessed Value (EAV) of the land and improvements.

All funds generated through payment in lieu and non-residential development fee will be deposited into the Township's Affordable Housing Trust Fund, and will be used to create/build or subsidize the appropriate number of affordable housing units within Alloway Township.

Since RCA agreements are no longer permitted, the Township will evaluate additional mechanisms to meet any deficiency in meeting its affordable housing obligation.

Given the obvious hardship for an individual to make such contribution for required housing per COAH, the Township may wish to consider other opportunities, and state and federal aid for securing funding for the construction of such COAH units.

It is worth noting that COAH may further revise the Third Round rules and additional revisions may be necessary to this Housing Plan.